

Sample Budget Justification Narrative

Applicants must provide a 12 month Budget Justification Narrative that explains the amounts requested for each line item in the Federal Object Class Categories Form. The Budget Justification Narrative must contain sufficient detail to enable HRSA to determine if costs are allowable¹ and must outline federal and non-federal (if any) costs for each line item. It is important to **ensure that the Budget Justification Narrative contains detailed calculations explaining how each line-item expense is derived** (e.g., cost per unit).

One-time FY 2016 DSHI supplemental funding may not supplant other resources and cannot be used to support the following:

- Costs incurred prior to award;
- Direct hire personnel costs, i.e., salary and fringe benefits (note that support for contracted staff for up to 12 months is allowable);
- Costs associated with the provision of primary health care services;
- Purchase or upgrade of an Electronic Health Record (EHR) that is not ONC-certified;
- Construction, including minor alterations and renovation;²
- Costs associated with the installation of equipment purchased with one-time DSHI funds (e.g., installation of a fiber optics line); and/or
- Facility, land, or vehicle purchases.

The budget justification should describe how each cost will support the proposed objectives, and include the following information:

Budget Justification Narrative	12 Month Funding Period (9/1/2016 – 8/31/2017)	
	Federal	Non-Federal
EXPENSES: Object class totals should be consistent with those presented in the Federal Object Class Categories Form.		
TRAVEL – The budget should reflect expenses associated with consultant travel and travel for staff or providers to attend trainings. List travel costs according to local and long distance travel. For local travel, include the mileage rate, number of miles, reason for travel, and staff traveling.		
Local travel: mileage rate, number of miles, reason, staff travelling		
EHR Vendor Support Conference: @ \$X per person x number of people		
TOTAL TRAVEL		

¹ Refer to the cost principles embedded in 45 CFR Part 75, see <http://www.ecfr.gov/cgi-bin/text-idx?node=pt45.1.75> for details on allowable costs.

² All minor alteration/renovation activities to modernize, improve, and/or reconfigure the interior or exterior arrangements or other physical characteristics of health center sites are unallowable.

Budget Justification Narrative	12 Month Funding Period (9/1/2016 – 8/31/2017)	
	Federal	Non-Federal
EQUIPMENT – List equipment costs and provide justification under the program’s goals. Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which <u>equals or exceeds</u> the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000. Applicants that propose equipment costs must also complete an Equipment List form as part of the DSHII application.		
EHR upgrade to latest ONC certified version @ \$XX each		
Expanded server capacity to provide necessary data storage @ \$XX each		
Reporting software at @ \$XX each		
TOTAL EQUIPMENT		
SUPPLIES – List the items necessary for implementing the proposed project. Equipment items that are <u>less than</u> \$5,000 per unit should be included here.		
Laptops or tablets at \$XXX (less than \$5,000 each)		
TOTAL SUPPLIES		
CONTRACTUAL – Provide a clear explanation as to the purpose of each contract, how the costs were estimated, and the specific contract deliverables. Each applicant is responsible for ensuring that its organization has in place an established and adequate procurement system with fully developed written procedures for awarding and monitoring contracts.		
Temporary data aggregation and analytics specialist (purpose of contract, cost, deliverables) - \$X,XXX per month X 12 months (XX hours per month)		
Data Warehouse and Repository - \$X,XXX per month X 12 months (XX hours per month)		
TOTAL CONTRACTUAL		
OTHER – Include all costs that do not fit into any other category and provide an explanation of each cost.		
Consultant Request for Proposals – Internet posting fees		
Software licensure at \$XXX each		
TOTAL OTHER		
TOTAL DIRECT CHARGES (Sum of all TOTAL Expenses)		
INDIRECT CHARGES – <i>Include approved indirect cost rate if applicable.</i>		
X.XX% indirect rate (includes utilities and accounting services)		
TOTALS (Total of TOTAL DIRECT CHARGES and INDIRECT CHARGES)		